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MANCHAC VOLUNTEER FIRE DEPARTMENT

ANNUAL FINANCIAL STATEMENTS

As of December 31, 2006 and for the Year Then Ended

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

7/18/07

PHIL HEBERT
CERTIFIED PUBLIC ACCOUNTANT
A PROFESSIONAL ACCOUNTING CORPORATION

**Manchac Volunteer Fire Department
Manchac, Louisiana
Annual Financial Statements
As of and for the Year Ended December 31, 2006**

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Transmittal Letter

Annual Financial Statements

June 18, 2007

Office of Legislative Auditor
Attention: Ms. Suzanne Elliott
1600 North Third Street
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Ms. Elliott:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for Manchac Volunteer Fire Department as of and for the year ended December 31, 2006. The report includes all funds under the control and authority of the Department. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Sincerely,

A handwritten signature in cursive script that reads "Carmen B. Reno". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

Ms. Carmen Reno, Treasurer
Manchac Volunteer Fire Department

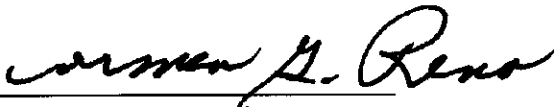
Enclosure

Manchac Volunteer Fire Department
Manchac, Louisiana

Annual Sworn Financial Statements as of and for the Year Ended December 31, 2006

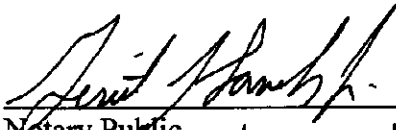
AFFIDAVIT

Personally came and appeared before the undersigned authority, Ms. Carmen Reno, Treasurer, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of Manchac Volunteer Fire Department as of December 31, 2006, and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.



Signature

Sworn to and subscribed before me this 18th day of June, 2007.



Notary Public

Germit J. Sanchez Jr #69238

Officer: Carmen Reno, Treasurer
Post Office Box 20
Manchac, Louisiana 70421
Telephone: (985) 386-8658

MEMBER
American Institute of
Certified Public
Accountants

Phil Hebert, CPA
A PROFESSIONAL ACCOUNTING CORPORATION
Post Office Box 1151 • Ponchatoula, Louisiana 70454
Office: (985) 386-5740 • Fax (985) 386-5742

MEMBER
Society of Louisiana
Certified Public
Accountants

Accountant's Compilation Report

To the Members
Manchac Volunteer Fire Department
Manchac, Louisiana

I have compiled the accompanying statement of financial position of Manchac Volunteer Fire Department (a nonprofit organization) as of December 31, 2006 and the related statements of activities and cash flows for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

I am not independent with respect to Manchac Volunteer Fire Department.

Sincerely,

Phil Hebert

Phil Hebert, CPA
A Professional Accounting Corporation

June 18, 2007

**Manchac Volunteer Fire Department
Manchac, Louisiana
Statement of Financial Position
December 31, 2006**

Assets

Current Assets:

Cash	\$ 86,789
Due From Tangipahoa Parish Fire Protection District No. 2	<u>30,491</u>
Total Current Assets	<u>\$ 117,280</u>

Liabilities and Net Assets

Current Liabilities:

Accounts Payable	\$ <u>864</u>
Total Current Liabilities	<u>864</u>

Net Assets:

Unrestricted	<u>116,416</u>
Total Net Assets	<u>116,416</u>
Total Liabilities and Net Assets	<u>\$ 117,280</u>

See accompanying notes and accountant's report.

**Manchac Volunteer Fire Department
Manchac, Louisiana
Statement of Activities
For the Year Ended December 31, 2006**

	<u>Unrestricted</u>
Revenues and Public Support	
Tangipahoa Parish Fire Protection District No. 2	\$ 123,481
FEMA Revenue	7,809
Other Income	667
Interest Income	1,772
Total Revenues and Public Support	<u>133,729</u>
Expenses	
Accounting	3,400
Capital Expenditures, Building	18,669
Capital Expenditures, Equipment	155,058
Dues & Subscriptions	135
Fuel & Lubricants	5,612
Insurance	5,372
Message Service	618
Office Supplies	1,406
Pest Control	4,325
Postage & Delivery	39
Repairs & Maintenance	10,558
Rental Equipment	342
Support Services	3,600
Fire Station Supplies	10,877
Telephone	3,476
Travel	112
Miscellaneous Expense	714
Utilities	12,375
Total Expenses	<u>236,688</u>
Change in Net Assets	(102,959)
Net Assets, Beginning	219,375
Net Assets, Ending	<u>\$ 116,416</u>

See accompanying notes and accountant's report.

Manchac Volunteer Fire Department
Manchac, Louisiana
Statement of Cash Flows
For the Year Ended December 31, 2006

Cash Flow From Operating Activities	
Changes in Net Assets	\$ (102,959)
Adjustments to Reconcile Change in Net Assets to	
Net Cash Used by Operating Activities	
Change in Due From Tangipahoa Parish Fire Protection District No. 2	(5,131)
Change in Accounts Payable	(10,910)
Net Cash Used by Operating Activities	<u>(119,000)</u>
Net Decrease in Cash	(119,000)
Cash, Beginning of Year	205,789
Cash, End of Year	<u><u>\$ 86,789</u></u>

See accompanying notes and accountant's report.

Manchac Volunteer Fire Department
Manchac, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2006

1. Summary of Significant Accounting Policies

A. Nature of the Organization

Manchac Volunteer Fire Department is a nonprofit organization formed to enter into agreements or contracts with nearby communities to provide fire protection and/or establish mutual aid systems. Manchac Volunteer Fire Department is one of the fire departments located in Tangipahoa Parish that comprise Tangipahoa Parish Fire Protection District No. 2. Tangipahoa Parish Fire Protection District No. 2 receives ad valorem taxes, state revenue sharing, and fire insurance rebate monies, which are in turn distributed, along with any interest earned, to the individual fire departments in accordance with an annual service agreement.

B. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Department is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

C. Basis of Accounting

The financial statements of Manchac Volunteer Fire Department have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include demand deposits, time deposits, and all highly liquid debt instruments with an original maturity of three months or less.

E. Contributions

The Department accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Manchac Volunteer Fire Department
Manchac, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2006

F. Promises to Give

Unconditional promises to give, less an allowance for uncollectible amounts, are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

G. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Donated Materials and Facilities

The Department is allowed use of buildings and fire equipment from Tangipahoa Parish Fire Protection District No.2. All assets other than cash are the property of Tangipahoa Parish Fire Protection District No. 2 and/or the Tangipahoa Parish Council.

I. Income Tax Status

The Department is classified as a Section 501 (c) (3) organization under the Federal Internal Revenue Code. As a result, it has been determined to exempt from federal and state income taxes.

J. Fair Values of Financial Instruments

The Fire Department's financial instruments, none of which are held for trading purposes, include cash. The following methods and assumptions used by the Fire Department in estimating its fair value disclosures for financial instruments are:

Cash: The carrying amounts reported in the statement of financial position approximate fair value because of the short maturities of those instruments.

Manchac Volunteer Fire Department
Manchac, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2006

2. Cash and Cash Equivalents

At December 31, 2006, the Department had cash and cash equivalents (book balances) totaling \$86,789 as follows:

Demand Deposits	\$ 56,789
Time Deposits	<u>30,000</u>
	<u>\$ 86,789</u>

Statement of Financial Accounting Standards No. 105 identifies deposits maintained at financial institutions in excess of federally insured limits as a concentration of credit risk requiring disclosure, regardless of the degree of risk. At December 31, 2006, the Department had \$90,188 in collected bank balances secured by \$100,000 of federal deposit insurance.

3. Receivables

Receivables at December 31, 2006 were as follows:

Due From Tangipahoa Parish Fire Protection District No. 2	<u>\$ 30,491</u>
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No allowance for uncollectible accounts is required at December 31, 2006.

4. Payables

Payables at December 31, 2006 were as follows:

Accounts Payable	<u>\$ 864</u>
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5. Net Assets

Net assets at December 31, 2006 were as follows:

Unrestricted	<u>\$ 115,466</u>
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Manchac Volunteer Fire Department
Manchac, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2006

6. Donated Services

During the fiscal year ended December 31, 2006, volunteer workers donated their time in support of the District's activities. The value of this contributed time is not reflected in the accompanying financial statements because no objective basis was available to measure its value.

7. Concentrations of Credit Risk

For the fiscal year ended December 31, 2006, \$123,481, or 92.3%, of the Department's gross revenues was derived from funding provided by Tangipahoa Parish Fire Protection District No. 2.